

APPENDIX C

CURRENT PARTNERING ARRANGEMENTS

For this edition of the DMBP, the Services were asked to provide synopses of current public-private partnering arrangements for the performance of, or related to, depot-level maintenance and repair that are ongoing within each Service and their respective depots or shipyards. The partnering arrangements include those that were active during the period of time that this DMBP was being prepared for publication. Some have been completed, others are continuing. These public-private partnering arrangements are listed in Table C-2. Detailed descriptions of these arrangements are portrayed in the June 2001 OSD report on public private partnering. This report is available in its complete form at the Joint Depot Maintenance Activities Group (JDMAG) website for the FY01-FY07 DMBP (<http://www.jdmag.wpafb.af.mil/>) or at the OSD website for the Assistant Deputy Under Secretary of Defense for Maintenance Policy, Programs and Resources, under the Plans and Reports section at. The website address is <http://www.acq.osd.mil/log/mppr/maintmp/reports/reports.html>.

Public-private partnerships take many forms. They range from public-private teaming and workshare arrangements to leases of DoD facilities or equipment by the private sector. In a teaming arrangement, the public and private partners accomplish DoD work jointly through a contractual relationship. Some partnerships have been established by contract under statutory authority, and some are workshare arrangements using Memorandums of Agreement (MOAs) or similar agreements. In a workshare arrangement (a non-contractual relationship between partners), each partner works separately to accomplish a portion of a workload package. Typically the program office or command will arrange for accomplishment of a portion of the workload in the public sector through work orders and in the private sector by a contract. The performing entities make arrangements with each other to ensure completion and because of that, no statutory authority is required. In a workshare arrangement, each partner contributes technical, facility, or equipment capabilities to increase efficiency through the complementary use of resources.

For purposes of portrayal, the definition of a partnering arrangement is:

An arrangement between public and private sector entities, based on appropriate statutory and regulatory authority or a Memorandum of Agreement, for one or more of the following:

- (1) use of public depot maintenance activities and employees to provide articles and/or services to the private sector;*
- (2) private sector use of public depot maintenance activities' equipment and/or facilities to perform work for either the public or private sector;*
- (3) worksharing arrangements, using both public depot maintenance activity(ies) and private sector facilities and/or employees; and*
- (4) teaming arrangements whereby a public depot maintenance activity and a private entity enter into a contractual relationships with the DoD in order to accomplish the tasks specified in the contract.*

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Partnering arrangements typically cite one or more authorities, or are initiated with workshare arrangements. The Services have used a number of authorities to establish these public-private partnerships. The table below synthesizes the principal statutory, regulatory and public law authorities for partnering.

Table C-1
Principal Authorities Cited for Public-Private Partnerships

| Authority | Description |
|---------------------------------------|--|
| 10 USC 2208(j) | Permits working capital funds (i.e., depots) to sell articles or services outside the DoD if the purchaser is fulfilling a DoD contract and the contract is awarded pursuant to a public-private competition. |
| 10 USC 2469a | Requires competitive procedures in contracting for depot level maintenance and repair workloads formerly performed at depot maintenance activities identified for base closure or realignment. It also authorizes competition among public and private sector offerers and public-private teaming in regard to those workloads. |
| 10 USC 2471 | The authorities of 10 USC 2471 are now incorporated in 10 USC 2474. This authority allowed the secretary of a military department, under certain conditions, to lease excess depot equipment and facilities to a person outside the DoD. |
| 10 USC 2474 | Allows for establishing Centers of Industrial and Technical Excellence (CITEs) at existing depots and permitting receipts from public-private "partnerships" to be credited to depots' accounts. Under this authority, Service Secretaries are to enable CITEs, and allows heads of CITEs to enter into public-private cooperative arrangements. |
| 10 USC 2563 (Formerly 10 USC 2553) | Permits the SECDEF to designate DoD industrial facilities, other than Army facilities governed by 10 USC 4543, to sell articles or Services outside the DoD under conditions similar to those set forth in 10 USC 4543. |
| 10 USC 2667 | This authority allows leasing of non-excess equipment and facilities of a DoD activity to a person outside DoD. |
| 10 USC 4543 | Authorizes Army industrial facilities to sell articles or services outside the DoD for specified purposes and under certain conditions. |
| 10 USC 7300 | Authorizes sale by a naval shipyard of articles or services to a private shipyard made at the request of the private shipyard in order to facilitate the private shipyard's fulfillment of a DoD contract with respect to a nuclear ship. The conditions set forth in section 10 USC 2208(j)(1)(B), 10 USC 2563(a)(1) and 10 USC 2563 (c)(1)(A) shall not apply. This section does, however, place boundaries on what a shipyard may do. |
| 22 USC 2754 | This authority allows defense articles and defense services to be sold or leased by the United States Government under chapter 39 of 22 USC to friendly countries and with certain conditions. |
| FAR, Subpart 45.3 | Establishes the conditions and limitations for providing equipment, material and facilities to a contractor or subcontractor. |
| Public Law 103-337 | In 1994, the SECDEF was directed to encourage commercial firms to enter into "partnerships" with depots. |

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In the OSD 2001 public-private partnering report, partnering projects were categorized into six types:

- Sale of Articles (SOA)
- Sale of Services (SOS)
- Leases (L)
- Workshare (W)
- Teaming (T)
- Government Furnished Resources (GFR)

Table C-2 identifies the projects by Service, Depot-level Maintenance Activity (DMA) and type, as contained in the OSD 2001 public-private partnering report.

Table C-2
2001 Partnering Agreements by Service, DMA and Type

| Army | | | |
|-----------------------|---|------------|-------------|
| Project Number | Title | DMA | Type |
| 2001- A-1 | Fox Vehicle Upgrade - Services | ANAD | SOS |
| 2001- A-2 | Fox Vehicle Upgrade – Facility Use | ANAD | L |
| 2001- A-3 | Fox Vehicle Maintenance – Facility Use | ANAD | L |
| 2001- A-5 | M113 Grit Blasting | ANAD | SOS |
| 2001- A-6 | Gunners Primary Sight (GPS) | ANAD | L |
| 2001- A-7 | M113 Test Track | ANAD | SOS |
| 2001- A-8 | M1 / M1A2 Upgrade | ANAD | W |
| 2001- A-10 | Base Operations / Base Logistics GDLS | ANAD | SOS |
| 2001- A-12 | Recuperator - Facility Use | ANAD | L |
| 2001- A-14 | Base Operations / Base Logistics Honeywell | ANAD | SOS |
| 2001- A-17 | M113 Family of Vehicles (FOV) Overhaul and Conversion - 1 | ANAD | W |
| 2001- A-19 | Abrams Integrated Management (AIM) XXI | ANAD | W |
| 2001- A-25 | Partnership for Reduced Operation and Support Cost Engine (PROSE) | ANAD | L |
| 2001- A-29 | Firefinder Block II Program | TYAD | SOS |
| 2001- A-31 | Rapid Response to Critical System Requirements (R ² CSR) - ARINC, Inc. | TYAD | SOS |
| 2001- A-32 | Rapid Response to Critical System Requirements (R ² CSR) - Lear Siegler | TYAD | SOS |
| 2001- A-33 | Rapid Response to Critical System Requirements (R ² CSR) - Lockheed Martin | TYAD | SOS |
| 2001- A-38 | CECOM Field Support Services | TYAD | SOS |
| 2001- A-39 | Navy Tri-Service | TYAD | SOS |
| 2001- A-40 | M113 Family of Vehicles (FOV) Overhaul and Conversion - 2 | ANAD | SOS |
| 2001- A-41 | Improved Ribbon Bridge (IRB) Manufacturing | ANAD | SOA |
| 2001- A-42 | M915A4 Glider Program | RRAD | SOS |
| 2001- A-43 | Multiple Launch Rocket System (MLRS) M270A1 | RRAD | W |
| 2001- A-44 | Heavy Expanded Mobility Tactical Truck (HEMTT) | RRAD | W |
| 2001- A-46 | Bradley Fire Support Team (BFIST) Vehicle | RRAD | W |
| 2001- A-47 | AN/PRC-112 Modernization | TYAD | SOS |
| 2001- A-48 | Weapon Systems Omnibus - 1 | TYAD | SOS |
| 2001- A-49 | Weapon Systems Omnibus - 2 | TYAD | SOS |
| 2001- A-50 | Field Support Services | TYAD | SOS |
| 2001- A-51 | Area Common User System (ACUS) Program | TYAD | SOS |
| 2001- A-52 | H-60 Overhaul and Repair of Airframe and Structural Components | CCAD | W |

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Table C-2
2001 Partnering Agreements by Service, DMA and Type (cont)

| Project Number | Title | DMA | Type |
|-----------------------|--|--------------|-------------|
| Army (cont) | | | |
| 2001- A-53 | T700 Engine Overhaul and Repair | CCAD | W |
| 2001- A-54 | T55 / T53 Engines Overhaul and Repair Activities | CCAD | W |
| 2001- A-55 | RT 875 Container Crane (CC) Pilot Project | LEAD | SOS |
| 2001- A-56 | Recuperator – Packaging and Material Movement | ANAD | SOS |
| 2001- A-57 | AH-64 Apache and CH-47 Chinook Overhaul and Repair of Airframe Structures and Components | CCAD | W |
| 2001- A-58 | AH-64 Apache, CH-47 Chinook, and UH-60 Hydraulic, Pneumatic and Fuel Component Overhaul and Repair | CCAD | W |
| Navy (NAVAIR) | | | |
| 2001- NA-1 | AV-8B Remanufacture Program | CP | W |
| 2001- NA-2 | F-14 AN/AWG-9 Fire Control Radar Repair | JAX | SOS |
| 2001- NA-3 | F-14, EA-6B, AH-1, and F-22 Component Services Support | JAX | SOS |
| 2001- NA-4 | J52 Engine | JAX | SOS |
| 2001- NA-5 | F/A-18 A-D Cockpit Displays | NI & JAX | SOS |
| 2001- NA-6 | PP-2581A/A Power Supply | JAX | SOS |
| 2001- NA-7 | F/A-18 E/F Components | NI, JAX & CP | SOS |
| 2001- NA-8 | SR61/AS61 Westland Blade Balancing | CP | SOS |
| 2001- NA-9 | Auxiliary Power Unit/Direct Vendor Delivery (APU/DVD) for F/A-18, P-3, S-3, and C-2 | CP | SOS |
| 2001- NA-10 | LM2500 Marine Gas Turbine Engines | NI | SOS |
| Navy (NAVSEA) | | | |
| 2001- NS-1 | High Performance Electrical Brush Program | PTNSY | SOS |
| 2001- NS-2 | Lease of Portsmouth Naval Shipyard Prison | PTNSY | L |
| 2001- NS-3 | <i>SS Independence</i> Drydocking | PHNSY & IMF | L |
| 2001- NS-4 | CVN Maintenance Services/Maintenance Operations (MS /MO) | PSNSY | GFR |
| 2001- NS-5 | Puget Sound and Pacific (PS&P) Railway Contract | PSNSY | GFR |
| 2001- NS-6 | <i>USS Enterprise</i> (CVN-65) | NNSY | GFR |
| 2001- NS-7 | <i>USS John Stennis</i> (CVN-74) | PSNSY | SOS |
| 2001- NS-8 | Aircraft Carrier Program | PSNSY | SOS |
| Marine Corps | | | |
| 2001- MC-1 | AAV Reliability, Availability and Maintainability / Rebuild to Standard | MCLB | W |
| 2001- MC-2 | Facilities Use Agreement | MCLB | L |
| Air Force | | | |
| 2001- AF-5 | Low Altitude Navigation and Targeting Infrared for Night (LANTIRN) Phase I | WR-ALC | L |
| 2001- AF-6 | C-130 Integrated Weapon System Support Program (IWSSP) | WR-ALC | GFR |
| 2001- AF-7 | SM-ALC Competition for KC-135 Programmed Depot Maintenance (PDM) and A-10 Aircraft PDM and Commodities | OO-ALC | T |
| 2001- AF-8 | Propulsion Business Area (PBA) | OC-ALC | T |
| 2001- AF-9 | B-2 Composite Manufacture and Repairs | OO-ALC | W |
| 2001- AF-10 | B-2 Defensive Management System Tools Program Set (DMSTPS) | OC-ALC | W |
| 2001- AF-17 | C-17 Analytical Condition Inspection (ACI) | WR-ALC | SOS |
| 2001- AF-19 | Common Configuration Implementation Program (CCIP), Air-to-air Interrogator System, F-16 Block 50/52 Aircraft | OO-ALC | W |
| 2001- AF-20 | Joint Surveillance Target Attack Radar System (JSTARS) Total Systems Support Responsibility (TSSR) Partnership | WR-ALC | GFR |

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For details on these partnering arrangements, refer to the website addresses noted above. Of the 66 projects noted above 37 are Army, 18 are Navy, 9 are Air Force and 2 are Marine Corps. Of the 16 DMAs involved in partnering, Anniston Army Depot accounts for over 24 percent of current partnering arrangements. The arrangements reported are as inclusive and expansive as possible to showcase what is possible, advocate partnering, and demonstrate the Services' use of authorities. It is important to note that the Services have differing interpretations of what constitutes a partnering agreement. Types of agreements that are viewed differently by the Services include worksharing, facilities use agreements, and arrangements that provide government non-depot maintenance services to on-site contractors performing depot maintenance. The partnering definition used in this report encompasses all varying Service interpretations. The intent of the report is not to compare the quantity or quality of partnering arrangements from Service to Service, but only to demonstrate the use of partnering throughout the depot maintenance community.